

S. S. KRESGE COMPANY

36TH

Annual Report

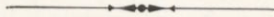
TO STOCKHOLDERS

1947

ANNUAL MEETING

Second Friday of May (May 14, 1948)
at 11 o'clock A.M.

at the office of the Company located at
2727 Second Ave.,
Detroit, Mich.



It is the present intention of the Company to solicit proxies for use at the Annual Meeting of the Company. In such case the proxy statement is expected to be mailed stockholders about April 9, 1948.

S. S. KRESGE COMPANY

(A Michigan Corporation)

Executive Offices
2727 SECOND AVENUE
DETROIT 32, MICHIGAN

Subsidiaries

S. S. KRESGE COMPANY, LTD.
TORONTO, ONTARIO

MT. CLEMENS POTTERY COMPANY
MT. CLEMENS, MICHIGAN

OFFICERS

S. S. KRESGE.....	Chairman of the Board
D. C. FISHER.....	President-General Manager
C. E. HOLZWORTH.....	Vice President-Store Management
E. M. PLUNKETT.....	Vice President-Real Estate
F. P. WILLIAMS.....	Vice President-Merchandising
W. G. WALTERS.....	Secretary
E. H. TODD.....	Treasurer
J. E. HEARST.....	Comptroller

BOARD OF DIRECTORS

HOWARD C. BALDWIN	C. B. TUTTLE
D. C. FISHER	D. F. VALLEY
C. E. HOLZWORTH	C. B. VAN DUSEN
S. S. KRESGE	F. P. WILLIAMS
E. M. PLUNKETT	R. R. WILLIAMS

TRANSFER AGENT

The Chase National Bank of the City of New York, New York

REGISTRAR

City Bank Farmers Trust Co., New York, N. Y.

Detroit, Michigan
February 18, 1948

TO THE STOCKHOLDERS OF
S. S. KRESGE COMPANY:

It is our privilege to submit this, our 36th Annual Report to Stockholders. A Consolidated Balance Sheet as at December 31, 1947, reports the condition of the S. S. Kresge Company and its wholly owned subsidiaries, the S. S. Kresge Company, Limited, a Canadian corporation operating stores in Canada, and the Mount Clemens Pottery Company, manufacturers of dinnerware. A Consolidated Statement of Income covers the results from operations of the combined companies for the calendar year 1947.

Sales For the eighth successive year our total dollar sales volume has exceeded that of the preceding year, each of which established a record volume for the Companies. The sales for the year 1947 amounted to \$270,585,779, an increase of \$19,132,666 over 1946, or 7.61 %.

Net Income The Consolidated Net Income of the Companies for the year 1947 at \$20,798,473 was equivalent to \$3.77 per share of Common stock outstanding. For the year 1946 the comparable Net Income amounted to \$21,961,620, or \$3.98 per share.

The Statement of Sales, Income and Its Distribution, included as a part of this report, sets forth the distribution of the Companies' income as between the interested parties. Taxes of all kinds amounted to \$18,316,590, a figure \$539,133 less than in 1946. The cost per dollar of sales in 1947 was 6.77¢ to compare with 7.50¢ in 1946. Although this cost for 1947 is below 1946 and the war years, it is substantially above 1940, when it was but 5.39¢ of the sales dollar. Salaries, wages and employees' benefits at 17.59¢ per dollar of sales is above 1946, when the corresponding cost was 16.71¢, indicative of the increased wage scale.

Dividends Stockholders received, during 1947, cash dividends equal to \$2.25 per share, for a total of \$12,352,313. This distribution was made on the basis of 50¢ per share on March 15, and quarterly thereafter, with an extra of 25¢ per share on December 15.

Of the year's consolidated net earnings, there was distributed in cash dividends 59.39%, to compare with a 62.5% distribution in 1946. Because of the very substantially increased cost of new construction, we have proceeded cautiously with our needed modernization program. Retention of sufficient funds for this work, which it is likely, even with the best timing, will cost well above the properties replaced, is vital to the progress of your Companies.

Current Position The working capital of the Companies at December 31, 1947, amounted to \$73,194,235, an increase of \$6,049,899 over the prior year end. The ratio of Current Assets to Current Liabilities also shows an improvement from 3.18 to 1 at the end of 1946 to 3.27 to 1 at the end of 1947.

The Companies' holdings of cash and United States and Canada Government bonds amounted to \$71,948,644 at December 31, 1947, a figure \$11,818,082 above last year. Slightly less than one-half of this increase originated through the reduction in merchandise inventories and increased trade accounts payable requiring an almost immediate cash outlay. This is a substantial cash balance, but is considered desirable under present high costs for store construction and modernization, for which the excess over normal operating requirements has been accumulated.

Merchandise on hand and in transit to stores at December 31, 1947, was valued at \$32,737,593. This current year end inventory is \$4,332,632 below last year's figure.

Because of uncertain market conditions we are attempting to maintain our merchandise inventories at a point that will provide our customers with the choice of merchandise they have come to expect in our stores, yet not expose the Company to excessive losses during any price decline.

Merchandise inventories have been valued on the same basis as at the end of 1946. The inventories at the Parent Company's stores were valued by what is commonly described as the "Retail Method." Tests have again proved that this method produced approximately the same valuation for our inventory as the specific cost method used prior to 1946. We continue to inventory at the lower of cost or market, recognizing a fair margin for selling expense and profit in all valuations.

Liabilities The total of current liabilities at the year end was \$32,276,077, an amount \$1,428,091 above the 1946 year end figure. The increase relates principally to normal trade accounts payable.

Reserves The Reserves for Fire and Casualty Losses were maintained at the same amounts as at December 31, 1946, the provisions equaling the losses charged for the year 1947. We believe adequate provisions in excess of 1947 losses were added to the Reserves for Public Liability and Compensation claims. These Reserves are, in our opinion, adequate for the risks involved.

There were no charges against the Reserve for Possible Adjustments of Merchandise Values in 1947. This reserve recognizes the present high price level and the possibility that price corrections will involve some loss to the Company.

Charges against the Reserve for Post War Reemployment Adjustments amounted to \$81,476. No additional provision was made, nor is considered necessary.

Store Program—1947 In 1947, 3 new stores were opened, and in addition, 3 which had been destroyed by fire in 1946 were reopened. The selling areas of 3 others were substantially enlarged and modernized. We are especially proud of the one located in Pontiac, Michigan. This store has the largest selling space of any store in our chain. Because of being unprofitable, and due to lease expirations, 7 stores were closed permanently. At the close of 1947, 696 stores were in operation—61 of these are located in Canada.

New Store Program—1948 In order to take advantage of available opportunities, our 1948 program is somewhat more extensive than that of 1947. A total of 16 new stores will be built, including 13 in the United States and 3 that are presently under construction in Canada. These will be located in the following cities:

United States

Bladensburg, Maryland
Berkley, Michigan
Bloomfield, New Jersey
Cheektowaga, New York
Detroit, Michigan
(Joy Road)
(7 Mile Rd. & Greenfield Rd.)

E. St. Louis, Illinois
Eau Claire, Wisconsin
Lorain, Ohio
Maple Heights, Ohio
St. Louis, Missouri (Hampton Village)
S. Euclid, Ohio (Suburb of Cleveland)
Wayne, Michigan

Canada

London, Ontario

Toronto, Ontario

Windsor, Ontario

The building investments for 8 of the new plants are being made by the landlords. Several of these are in new shopping areas.

Major alterations and enlargements are being made in the following cities:

Chillicothe, Ohio	Ferndale, Michigan
Cleveland, Ohio	Fitchburg, Massachusetts
Covington, Kentucky	Fostoria, Ohio
Dearborn, Michigan	Kansas City, Missouri
Eric, Pennsylvania	Morristown, New Jersey
Evansville, Indiana	Parkersburg, West Virginia
	Saginaw, Michigan

In 1948, 2 stores will be closed due to lease expirations.

Funds are being retained for an extensive enlargement and modernization program of our present stores. Advance planning is in process anticipating the time when building costs are more nearly normal.

Personnel The year 1947 saw several changes in our Administrative Organization. On May 13, 1947 our Senior Vice President in charge of Merchandising, Mr. F. R. Wertman, passed away. He had been with our Company 41 years and was a conscientious, loyal and efficient worker. Mr. F. P. Williams, who was our Sales Manager, assumed the duties of Merchandise Manager in May, and in October he was elected a Director and Vice President in charge of Merchandising.

Under the Company's retirement plan, Mr. O. B. Jillson, with 33 years' service and who was Toy Buyer for 26 years, retired December 31, 1947.

Our Personnel Department is conducting an extensive training program and organizations are showing a marked improvement in efficiency. Every effort is being made to procure qualified men for future managerial and executive positions.

General Comments The sales volume of your Company reached the highest mark in its history, i.e., \$270,585,779. We wish to pay high tribute to our employees and express our deepest appreciation for their faithfulness and cooperation.

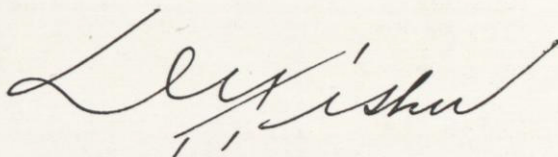
We are grateful to the men who comprise our Board of Directors for their faithful attendance at meetings and for their helpful and constructive guidance throughout the year.

In looking ahead, we are mindful of the many uncertainties for business in the future and fully realize that an adjustment of the present inflation and high prices must come.

We anticipate 1948 will be another good year and shall renew our efforts to plan wisely for the best interests of our customers, employees and shareholders.



Chairman



President

S. S. KRESG

(A MICHIGAN C

AND SUBSIDIA

Consolidated

DECEMBER 31,

ASSETS

	1947	1946
CURRENT ASSETS:		
Cash in banks, in transit and on hand.....	\$ 37,225,944	\$ 28,020,294
U. S. A. and Canadian Government securities, at cost, including U. S. A. Tax Notes of \$7,150,000 at Decem- ber 31, 1947, and \$5,100,000 at December 31, 1946.....	34,722,700	32,110,268
Miscellaneous accounts receivable, less reserve.....	784,075	791,535
Merchandise and materials on hand and in transit, at lower of cost or market.....	32,737,593	37,070,225
	<u>\$105,470,312</u>	<u>\$ 97,992,322</u>
OTHER ASSETS:		
U. S. A. Government securities deposited in escrow, at cost.....	\$ 93,035	\$ 73,035
Miscellaneous securities, at cost, less reserve.....	123,051	127,680
Post-war refund of excess profits tax (Canadian sub- sidiary).....	415,442	529,671
	<u>\$ 631,528</u>	<u>\$ 730,386</u>
DEFERRED CHARGES:		
Unamortized leasehold expenses, advance rentals, pre- paid insurance, supplies and other expenses.....	\$ 3,341,808	\$ 3,179,409
FIXED ASSETS:		
Land and buildings, at cost.....	\$ 62,206,583	\$ 60,267,773
Reserve for depreciation (deduct).....	(12,878,525)	(12,476,209)
Leasehold improvements, at cost less amortization.....	13,619,721	13,021,266
Furniture and fixtures, at cost.....	27,908,323	25,894,750
Reserve for depreciation (deduct).....	(19,793,289)	(19,243,212)
Leaseholds as valued in 1916, less amortization.....	203,681	212,108
Construction in progress.....	1,834,271	2,358,425
	<u>\$ 73,100,765</u>	<u>\$ 70,034,901</u>
	<u>\$182,544,413</u>	<u>\$171,937,018</u>

Note:

The only foreign subsidiary is in Canada. The accounts of that company at December 31, 1947, and December 31, 1946, are included in the consolidated balance sheet in United States dollars amounting to \$5,610,824 at December 31, 1947 and \$5,575,145 at December 31, 1946 for net current assets and deferred charges converted (except for Canadian Government bonds which were converted at official rate of exchange on date of acquisition) at the official rates of exchange on those dates, \$415,442 at December 31, 1947 and \$529,671 at December 31, 1946 for post-war refunds of excess profits tax converted at the approximate exchange rates at the dates such refunds became receivable, \$12,059,923 at December 31, 1947 and \$10,730,129 at December 31, 1946 for capital assets converted at the approximate exchange rates at dates of acquisition and \$118,057 at December 31, 1947 and \$75,000 at December 31, 1946 for long-term liabilities converted at the approximate rates of exchange at dates incurred. The results of operations of this subsidiary (net profit of \$1,604,210 in 1947 and \$1,334,687 in 1946) are included in the consolidated income account in United States dollars converted as to depreciation charges at the rates applied in conversion of the related assets and as to other items for the year 1947 at the official exchange rate effective for that year and for 1946 at the yearly averages of the official exchange rates.

J. E. HEARST

Comptroller

E COMPANY

(CORPORATION)

RY COMPANIES

Balance Sheet

1947 AND 1946

LIABILITIES

1947 1946

CURRENT LIABILITIES:

Accounts payable—trade.....	\$ 10,395,229	\$ 9,113,968
Accrued taxes, payrolls, expenses and miscellaneous accounts payable.....	8,846,293	8,462,222
Provision for U. S. A. and Dominion of Canada income and excess profits taxes (estimated).....	12,673,119	13,064,768
Real estate mortgages payable within one year.....	361,436	207,028
	<u>\$ 32,276,077</u>	<u>\$ 30,847,986</u>

REAL ESTATE MORTGAGES PAYABLE (Amount payable after one year).....

\$ 919,486 \$ 940,500

RESERVES:

For fire and casualty losses, public liability and compen- sation claims.....	\$ 4,227,121	\$ 4,166,763
For possible adjustments of merchandise values.....	2,927,821	2,927,821
For post-war re-employment adjustments.....	382,724	464,200
	<u>\$ 7,537,666</u>	<u>\$ 7,558,784</u>

CAPITAL STOCK AND EARNED SURPLUS:

Capital Stock—

Authorized 10,000,000 shares at \$10 par value

Issued 5,517,872 shares including shares in treasury..... \$ 55,178,720 \$ 55,178,720

Earned surplus, statement attached..... 87,348,611 78,127,175

Cost of 27,955 shares in treasury (deduct)..... (716,147) (716,147)

\$141,811,184 \$132,589,748

\$182,544,413 \$171,937,018

To the Board of Directors and

The Stockholders of

S. S. Kresge Company:

We have examined the accompanying consolidated financial statements of S. S. Kresge Company and subsidiary companies relating to the year ended December 31, 1947. Our examination was made in accordance with generally accepted auditing standards and included such tests of the accounting records and other supporting evidence and such other procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and related consolidated statement of income and earned surplus present fairly the position of S. S. Kresge Company and subsidiary companies at December 31, 1947, and the results of their operations for the year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Detroit, Michigan

February 18, 1948

PRICE, WATERHOUSE & CO.

Certified Public Accountants

S. S. KRESGE COMPANY

(A MICHIGAN CORPORATION)
AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF INCOME AND EARNED SURPLUS FOR THE YEARS ENDED DECEMBER 31, 1947 AND 1946

	Year 1947	Year 1946
Sales.....	\$270,585,779	\$251,453,113
Cost of merchandise sold and operating, general and administrative expenses, less income from rentals.....	\$228,477,637	\$207,878,409
Taxes—other than U. S. A. and Dominion of Canada income taxes.....	5,696,590	5,038,723
Provision for depreciation and amortization.....	3,307,047	3,257,645
	<u>\$237,481,274</u>	<u>\$216,174,777</u>
	\$ 33,104,505	\$ 35,278,336
Other income:		
Interest received.....	522,933	513,912
Liquidating dividends received from closed banks.....	987	3,951
Miscellaneous.....	23,433	85,602
	<u>\$ 33,651,858</u>	<u>\$ 35,881,801</u>
Other deductions:		
Interest.....	\$ 50,518	\$ 52,306
Loss on disposal of fixed assets.....	124,449	27,437
Miscellaneous.....	58,418	23,438
	<u>\$ 233,385</u>	<u>\$ 103,181</u>
Income before taxes thereon.....	\$ 33,418,473	\$ 35,778,620
Provision for U. S. A. and Dominion of Canada income taxes (estimated):		
Normal taxes and surtaxes.....	\$ 12,424,980	\$ 12,934,090
Excess profits taxes (Canadian subsidiary).....	195,020	882,910
	<u>\$ 12,620,000</u>	<u>\$ 13,817,000</u>
Net income transferred to earned surplus.....	\$ 20,798,473	\$ 21,961,620
Earned surplus at beginning of year.....	78,127,175	68,399,435
Reduction in income taxes, resulting from deductible payments for purchase of past-service annuities (see note).....	166,000	166,000
Exchange adjustments arising from expressing Canadian subsidiary company's assets in U. S. A. dollars (see note to consolidated balance sheet).....	66,276	441,600
Adjustments of Dominion of Canada income taxes applicable to prior years.....	543,000	724,000
Portion of reserve for purchase of increased past-service annuities under pension plan not required, restored to surplus in 1946.....	—	159,313
	<u>\$ 99,700,924</u>	<u>\$ 91,851,968</u>
Deduct—Cash dividends on common stock—\$2.25 a share in 1947 and \$2.50 a share in 1946.....	12,352,313	13,724,793
	<u>\$ 87,348,611</u>	<u>\$ 78,127,175</u>

Note:

Payments made in 1946 and prior years for purchase of past-service annuities diminished income taxes by approximately \$166,000 in 1947 and \$166,000 in 1946. The amount of the reduction in income taxes has been treated as general expense in the income account and added to surplus. Such payments will, in accordance with applicable provisions of the Internal Revenue Code, also result in reductions of income for Federal income tax purposes for the years 1948 to 1955, inclusive.

J. E. HEARST
Comptroller

SALES, INCOME AND ITS DISTRIBUTION
YEARS 1947 AND 1946

	AMOUNT		% TO SALES	
	1947	1946	1947	1946
Sales.....	\$270,585,779	\$251,453,113	100.00	100.00
Amounts taken in for merchandise sold.				
Cost of merchandise sold and expenses, exclusive of taxes, salaries and wages and interest paid.....	183,819,401	168,565,059	67.93	67.04
Balance.....	\$ 86,766,378	\$ 82,888,054	32.07	32.96
The amount remaining to pay taxes, wages and interest and including the net income of \$20,798,473 in 1947 and \$21,961,620 in 1946.				

DISTRIBUTION

1. Taxes.....	\$ 18,316,590	\$ 18,855,723	6.77	7.50
Real estate, personal property, State and Federal franchise and income taxes, sales taxes, licenses, etc.				
2. Salaries, wages and employees' benefits.....	47,600,797	42,018,405	17.59	16.71
The employees' share.				
3. Interest paid for use of borrowed money.....	50,518	52,306	.02	.02
4. Cash dividends.....	12,352,313	13,724,793	4.57	5.46
Paid to stockholders for use of their money—\$2.25 on each share in 1947 and \$2.50 a share in 1946.				
5. Earnings retained in the business.....	8,446,160	8,236,827	3.12	3.27
	<u>\$ 86,766,378</u>	<u>\$ 82,888,054</u>	<u>32.07</u>	<u>32.96</u>

BALANCE SHEET AND INCOME ACCOUNT COMPARISONS

For your information comparative data relative to the balance sheet and income account has been prepared, after giving effect where necessary to a reclassification of certain items in prior years.

Year End Dec. 31	Excess of Cash and Gov't Securities Over Current Liabilities	Ratio of Current Assets to Current Liabilities	Net Working Capital	Percentage of Year End Inventories to Sales
1938	\$10,513,904	3.55 to 1	\$28,853,355	12.10
1939	12,204,476	3.31 to 1	31,311,465	12.20
1940	12,372,492	3.14 to 1	32,773,550	12.66
1941	7,344,370	2.70 to 1	34,970,716	15.46
1942	13,546,794	2.55 to 1	40,676,760	13.42
1943	15,882,528	2.41 to 1	45,893,424	14.27
1944	25,986,597	2.40 to 1	50,202,089	10.98
1945	33,985,682	2.66 to 1	58,857,253	10.80
1946	29,282,576	3.18 to 1	67,144,336	14.74
1947	39,672,567	3.27 to 1	73,194,235	12.10

Year End Dec. 31	Percentage of Fixed Assets to Total Assets	Bank Loans and Funded Debt	Net Earnings as Reported		Dividends Declared	
			Per Sales Dollar	Per Common Share	Per Sales Dollar	Per Common Share
1938	64.93	\$4,080,012	\$.060	\$1.63	\$.044	\$1.20
1939	62.59	3,394,637	.068	1.89	.043	1.20
1940	61.04	2,284,975	.063	1.82	.047	1.35
1941	57.65	1,215,895	.054	1.71	.042	1.35
1942	52.07	1,319,484	.040	1.45	.032	1.15
1943	46.83	1,203,652	.041	1.54	.032	1.20
1944	43.39	1,081,576	.042	1.63	.030	1.20
1945	41.63	1,202,186	.048	1.93	.031	1.25
1946	40.73	1,147,528	.087	3.98	.055	2.50
1947	40.05	1,280,922	.077	3.77	.046	2.25

TWENTY YEAR STORE AND SALES COMPARISON

Year End	Number of Stores	Consolidated Sales	Year End	Number of Stores	Consolidated Sales
1928	506	\$147,465,448	1938	745	\$149,285,601
1929	597	156,456,732	1939	745	153,911,145
1930	678	150,508,126	1940	743	158,678,509
1931	711	145,838,039	1941	736	176,184,464
1932	719	124,536,620	1942	731	198,679,843
1933	720	125,972,803	1943	716	206,040,378
1934	731	137,667,131	1944	711	216,454,010
1935	745	138,339,968	1945	705	223,253,795
1936	734	149,523,435	1946	696	251,453,113
1937	741	155,204,790	1947	696	270,585,779

TEN YEAR COMPARISON TAXES COST

(Real Estate, Personal Property, State and Federal Franchise and Income Taxes, Sales Taxes, Licenses, etc.)

Year End December 31	Dollar Cost	Cost Per Common Share	Per Cent to Sales
1938	\$ 6,982,938	\$1.26	4.68
1939	7,585,499	1.37	4.93
1940	8,559,691	1.55	5.39
1941	12,667,407	2.30	7.19
1942	18,410,437	3.34	9.27
1943	20,709,695	3.75	10.05
1944	24,852,920	4.50	11.48
1945	26,049,627	4.72	11.67
1946	18,855,723	3.42	7.50
1947	18,316,590	3.32	6.77

...and now, let us visit a few of
your new and enlarged stores of '47

...but first, a message about your construction department

Your company's construction department, located in the Kresge administration building in Detroit, is composed of specially trained architects, engineers and draftsmen. This competent staff works in close cooperation with the sales and merchandising departments. It plans the construction of new stores, and the modernization of existing stores, with a view to achieving maximum efficiency in counter layout and customer convenience at the most economical operating costs.

The construction department assumes complete "on-the-job" supervision of all construction and alteration work, from preliminary layouts to the final installation of fixtures and equipment. Current data on costs, building codes, contractors, and local labor and material availabilities, is constantly maintained. Naturally, such a department saves your company many thousands of dollars annually.

On the following pages are shown the widely diversified 1947 projects planned and supervised by your construction department.





This attractive new Kresge store is one of 30 in Detroit, Michigan. It is located in a rapidly growing neighborhood. Its modern features include specially designed windows permitting a wide view of the fluorescent-lighted interior. Accoustical ceilings and vinyl plastic counter fronts are innovations in a store of this type.



In the blue grass country, in Lexington, Kentucky, is this new Kresge store. Its beautiful exterior makes it one of the city's outstanding stores. Large, naturally colored, photographic murals of subjects of local interest are part of the first floor decorative scheme. Broad stairways and an up-escalator facilitate customer travel between floors.



The top longitudinal photograph shows the expansive street salesfloor . . . the bottom picture is the downstairs salesfloor. The modern kitchen has the finest facilities for preparing tasty food. The luncheonette and tea room seat 100 persons. The store is air conditioned and has a lounge and parcel check-room among other features.

Your Pontiac, Michigan, store has the distinction of possessing the largest counter selling space of any Kresge store. The two salesfloors are 122 feet wide and 143 feet deep, affording an excellent opportunity for large, impressive displays of merchandise. Note the wide stairway, one of four, leading to the downstairs salesfloor. In addition to operating a large attractive restaurant, this store also maintains two luncheonettes.

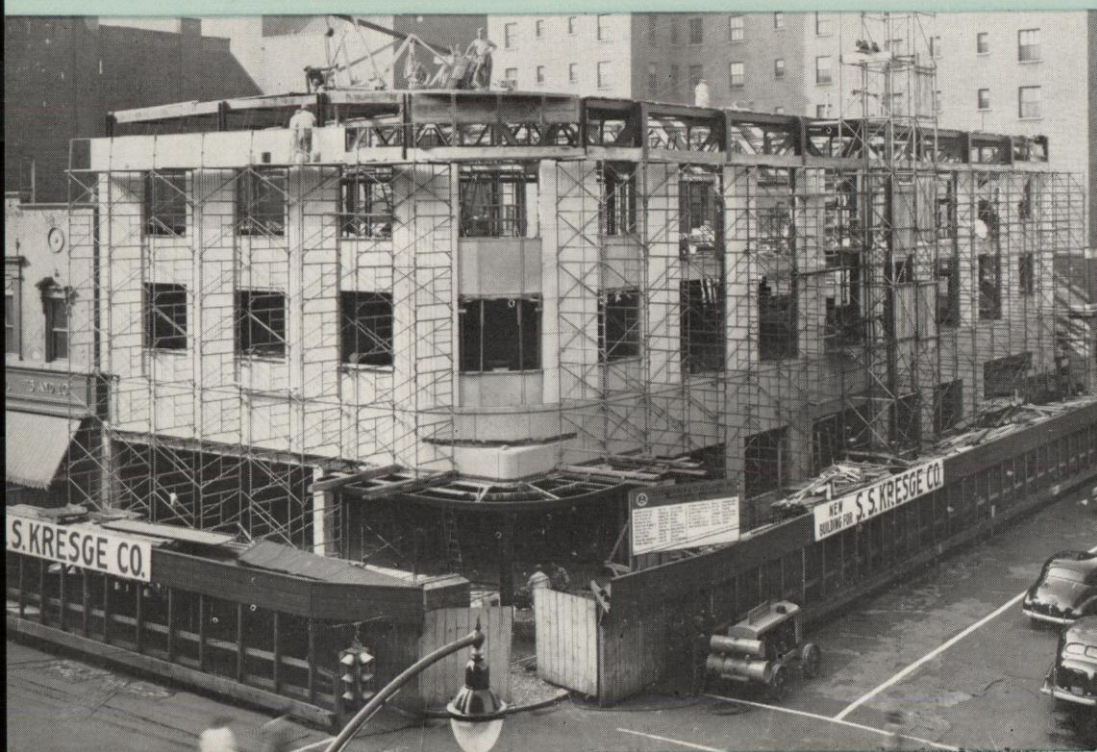


In Meriden, Connecticut, this new L-shaped Kresge store has the appeal of a "2-in-1" shopping center. It has two entrances, one at each end of the "L", each entrance fronting on a busy thoroughfare. The exteriors are modestly, but pleasingly carried out in a striking combination of limestone, stainless steel, and vitreous enameled steel.

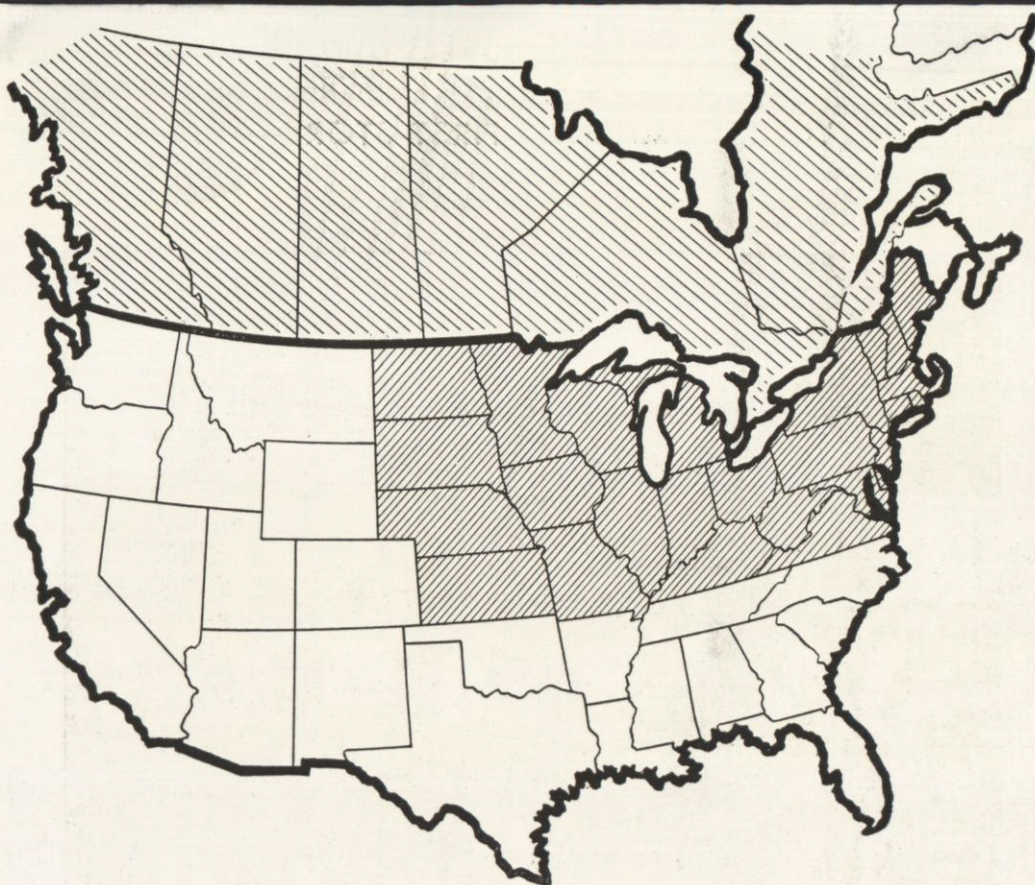




In Chicago, Illinois, there are 30 Kresge stores, the latest of which is pictured here. It is a neighborhood store, located on the west side of the city, and has an impressively wide, canopied storefront and receding windows. Generous entrances provide easy access to a brilliantly lighted, 79 by 175 foot salesfloor, which is ample for fine displays in all departments.



1948 will see more new Kresge stores in operation. Above are shown two major construction projects under way . . . the top view at Windsor, Ontario . . . the lower view at Erie, Pennsylvania. *Each year will witness continued activity in your company's plan of expansion and modernization, a program which will be judiciously governed by costs and material availabilities.*



Where Your Stores are Located

4—NO. DAKOTA
6—SO. DAKOTA
6—NEBRASKA
7—KANSAS
14—MINNESOTA
26—IOWA
24—MISSOURI
25—WISCONSIN
77—ILLINOIS

81—MICHIGAN
33—INDIANA
10—KENTUCKY
70—OHIO
7—W. VIRGINIA
12—VIRGINIA
57—PENNSYLVANIA
7—MARYLAND
2—DELAWARE

5—MAINE
2—NEW HAMPSHIRE
2—VERMONT
35—MASSACHUSETTS
13—CONNECTICUT
4—RHODE ISLAND
76—NEW YORK
18—NEW JERSEY
11—DIST. OF COLUMBIA

3—BRITISH COLUMBIA
3—ALBERTA
3—SASKATCHEWAN

1—MANITOBA
38—ONTARIO
13—QUEBEC

YOUR COMPANY'S FIRST STORE—1899



Detroit is the birthplace of the S. S. Kresge Company. The photograph shows the company's first store, which opened in Detroit, Michigan, on Woodward Ave. near State Street. Today, this "number one" store, in its large, magnificent building, is located on the corner of Woodward Ave. and State Street . . . the busiest intersection in Detroit.

